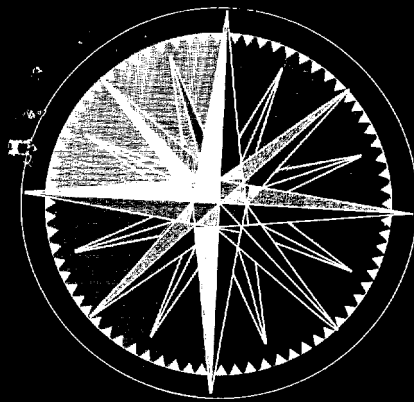


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# SPECIAL REPORT

LEFT-LEANING REGIME IN CEYLON FACES ELECTIONS

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12 March 1965

**LEFT-LEANING REGIME IN CEYLON FACES ELECTIONS**

With ten days of campaigning left before Ceylon's 22 March general elections, the political tides seem to be running against Prime Minister Sirimavo Bandaranaike. The defeat of her Sri Lanka Freedom Party (SLFP) would mark the end of a nine-year effort by two Bandaranaike governments--her own and that of her late husband Solomon--to extinguish the persistent influences of the colonial past and emphasize Ceylonese nationalism through the development of a socialist politico-economic system.

Neither Bandaranaike government was particularly successful in adapting vague theory to the hard realities of a new nation faced with a burgeoning population and declining economic assets. Since Solomon Bandaranaike's massive victory in 1956, SLFP control and influence has been steadily dwindling. In recent years his widow has been forced to move leftward to find support to compensate for the loss of following among moderates. Meanwhile, her more Western-oriented opponents have been able to rebuild support for the SLFP's strongest rival, the United National Party (UNP), which held power immediately after independence.

Rise and Decline of  
Bandaranaike Government

Independence came almost effortlessly to Ceylon as part of the post - World War II decline of the British Empire. No violent freedom struggle was required; rather, the country was turned over in 1948 in sound economic and political condition to the same Westernized Ceylonese leaders who had been deeply involved in its administration during the preceding decades. The new nation

had the advantages of a strong civil service, one of the highest standards of living in Asia, and economic assets of considerable importance in its tea, rubber, and coconut estates--many of which were indigenously owned.

The early years of independence under the guidance of the conservative United National Party (UNP), headed by the widely respected Prime Minister Don Stephen Senanayake, were relatively progressive. When

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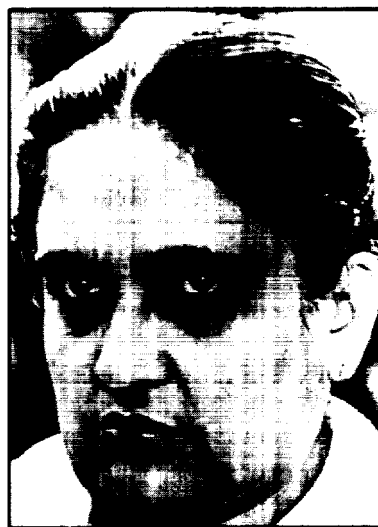
Senanayake died in 1952, leadership passed--after a brief tenure by Senanayake's son Dudley--to Sir John Kotelawala, a thoroughly Westernized former military officer. Although there was no sharp decline in administrative effectiveness, the Kotelawala government became associated in the public mind with the special interests of merchants, businessmen, and landowners. The UNP gained a reputation for nepotism, and was derisively known as the "uncle-nephew party." Moreover, it was closely tied to the British traditions of the colonial past at a time when Buddhist traditionalism was on the rise.

In the 1956 general elections, Solomon Bandaranaike, riding the crest of the upsurge of nationalism among Ceylon's Sinhalese Buddhist majority swept the UNP from office. Bandaranaike, a member of one of the island's most prominent families, had been a minister in the UNP government, but had broken with the UNP and developed his own political movement based on a vaguely conceived fusion of socialist philosophy and Buddhist traditions. His approach had strong emotional appeal among rural voters, but never got down to specifics for meeting Ceylon's growing economic problems--typified by a yearly population expansion of nearly 3 percent, stagnating production, and a deteriorating trade balance. Several attempts were made to draft economic development plans, but little was done to implement them. By 1959, when Solomon was

assassinated, enthusiasm for the SLFP had considerably diminished.

In the 1960 elections, the UNP, again under the leadership of Dudley Senanayake, actually captured a plurality in Parliament but was unable to form a government. In follow-up elections, the SLFP, bolstered by no-contest agreements with leftist parties and by the active campaigning of Mrs. Bandaranaike, who has led the party since her husband's death, emerged with a small majority.

During the past four and a half years, Mrs. Bandaranaike's administration has been plagued by political discord, labor disorders, and a continuation of Ceylon's economic slump. Foreign exchange reserves have sunk, hobbling industries which depend upon imports of raw and semi-finished materials. Urban



Sirimavo Bandaranaike

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unemployment and steadily rising prices, with few compensating wage increases, contributed to dissatisfaction in the cities with the SLFP government. Within the past two years this dissatisfaction has begun to spread to rural areas--the SLFP's political strongholds--where shortages of textiles and farm implements have been felt virtually for the first time.

Strains in US-Ceylonese relations have also developed. Ceylon failed to provide compensation for US gasoline distribution facilities, nationalized in mid-1961, and US aid was suspended early in 1963. A wave of anti-American sentiment followed the cut-off, which leftists within the SLFP and among the Marxist parties played up to enhance their political positions.

Discontent among her more moderate followers, moreover, forced Mrs. Bandaranaike to drift gradually leftward in search of support. Last June, she brought three Marxist leaders of the Trotskyite Lanka Sama Samaja Party (LSSP) into her cabinet to bolster the government against a threatened no-confidence vote. By so doing she was also able to use the LSSP's extensive influence in the labor movement to quiet labor protests.

But LSSP ministers quickly gained an influence in cabinet deliberations disproportionate to their strength in Parliament, a development which further rankled SLFP moderates. The

budget message last July, presented by the LSSP's leader, N. M. Perera--who was newly appointed finance minister--called for further restraints on private businesses and continued, if gradual, nationalization of key enterprises. The LSSP also pressed for measures to control several of the country's stridently antigovernment newspaper chains. These proposals had been a part of Mrs. Bandaranaike's program since 1960, but their implementation had always been regarded as politically hazardous in a country where the literacy rate is high--70 percent of the population over age 15--and the tradition of journalistic freedom is well established.

Last October, a relatively moderate press bill, which would have established more guidance than control, was introduced in Parliament. When the opposition forced an extensive delay in the consideration of this proposal, the government introduced a more sweeping measure which would have allowed the take-over of the island's largest newspaper chain. At the same time, the LSSP was under heavy fire for advocating a proposal to permit unlimited tapping of the coconut palm for fermentable toddy--a potential source of tax revenue. Militant Buddhists, fearing that a more abundant supply of alcohol would not mix with Buddhist principles, eventually forced abandonment of the measure. The heat generated by both issues finally triggered a defection by 13 of the SLFP's parliamentary

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supporters, and in mid-December the government resigned after losing a confidence motion by one vote.

### Campaign Prospects

Although the picture is clouded by the turbulence and acrimony of the current campaign, Mrs. Bandaranaike's prospects in the 22 March voting do not look bright. Her personal appearances still excite much of the enthusiasm and sympathy--particularly among women--that they evoked in 1960 when she campaigned as the bereaved widow of her recently assassinated husband, but the stock of her party as a whole has fallen. Since 1960, moreover, SLFP election machinery has been allowed to decay in many of the rural areas where the party enjoyed hard-core support. In many constituencies, several contenders are claiming the allegiance of SLFP voters, while the UNP vote remains behind a single candidate.

Mrs. Bandaranaike has again arranged no-contest pacts with the LSSP and the Communists, but the agreements are not likely to be as effective this time as they were in 1960. Support for both Marxist groups has dwindled during the past year as factional infighting and their association with a failing government tarnished their prestige. The inability of the LSSP's N. M. Perera, long touted as one of Ceylon's most promising political figures, to cope effectively with the country's pressing economic problems during the short tenure

as finance minister has not helped. The LSSP's espousal of press control enabled the opposition to raise the specter of Marxist dictatorship, despite the LSSP's long-professed dedication to parliamentary institutions. Apprehensive of growing Marxist influence, many Sinhalese voters who would normally favor the SLFP are now chary of supporting a party which has become associated with "foreign" and "anti-Buddhist" ideology.

Both the LSSP and the Communists have also been shaken within the past year by open ideological splits. A pro-Chinese faction broke away from the Communist Party in late 1963 and formed a separate organization which has since splintered further over the issue of cooperating with the pro-Moscow Communist party and the SLFP to head off a UNP victory. Last June, the LSSP, too, divided over the question of participation in the Bandaranaike government. The orthodox wings of both parties have managed to retain a majority of party supporters, but the revolutionary factions have cut deeply into the parties' labor union following.

Although the impact of Mrs. Bandaranaike's personal appeal is difficult to judge, most observers now conclude that her SLFP will not emerge from the elections with a parliamentary majority. While somewhat displeased with the results of her coalition experiment, the prime minister would be willing to head another joint government supported

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by the LSSP. She would also probably agree this time to Communist participation, which she found unacceptable last June. Nevertheless, the Marxist parties will be hard pressed to match even their meager 1960 successes--12 seats for the LSSP and 4 for the Communists--and the chances appear slim that this three-party combination can muster a majority in the 157-seat House of Representatives to support a coalition government.

UNP fortunes, on the other hand, appear to be considerably better than heretofore. Since Dudley Senanayake returned to party leadership in 1957, the party's image has undergone a gradual improvement. Although somewhat indecisive, Senanayake is regarded as a man of great personal integrity, and his presence at the party's helm has done much to remove the stigma of petty corruption that had contributed to the devastating defeat in 1956. The party has moved over the years to an espousal of "democratic socialism" as its guiding philosophy. Although in practice the phrase may mean little more than a willingness to consider social welfare measures, the transition has brought with it a new aura of progressiveness.

Organizationally the UNP reportedly has been stronger than the SLFP for several years. Because of the chronic instability of the Bandaranaike government, the UNP has attempted to keep its party machinery continually geared up for a snap

election. UNP leaders have developed a strong youth movement, concentrating on voters between the ages of 18 and 26 who will be casting a general election ballot for the first time.

Antigovernment sentiment among Ceylon's Buddhist clergy may also prove an important asset to the UNP. Most of the country's 20,000 monks (bhikkus), particularly those belonging to the oldest and most respected orders, are conservative but apolitical. Only rarely do they enter the political arena in any significant strength. In 1956 the bhikkus actively supported Solomon Bandaranaike, whose candidacy held out promise of a Buddhist revival. In the current campaign the Marxism issue seems to have drawn most of the bhikkus into the campaign against the coalition. While not openly lining up with the UNP, their efforts appear to be working to the net advantage of that party.

In addition, the UNP has the campaign support of the SLFP dissidents whose defection brought the Bandaranaike government down. Supported also by most of the country's newspapers, the UNP and its allies have been able to keep the Bandaranaike forces consistently on the defensive. Repeatedly raising the issue of undue Marxist influences, the UNP has forced many SLFP candidates to deny vigorously any connections with Marxist principles, thus discrediting their Marxist colleagues as well as other SLFP elements

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closely associated with the leftists.

### Outlook

With the Bandaranaike forces in disarray, Dudley Senanayake appears to have some chance of emerging with the votes to form a government, albeit one depending on the support of the SLFP dissidents. A Senanayake regime would allow a freer rein to private businessmen and would be more receptive to private foreign investment, although it would continue to administer publicly those activities already nationalized by previous governments--such as transportation, the wholesale distribution of certain imported goods, and petroleum outlets. Ceylon's nonaligned posture in foreign affairs would continue, but the UNP would be more sympathetic toward Western positions than was the Bandaranaike government. The UNP would be eager to settle the oil compensation issue, paving the way for the restoration of US aid, but its flexibility would be limited by the risk that any major concession would be viewed in Ceylon as a sellout.

The same economic troubles that haunted the SLFP, however, would also challenge the UNP. Ceylon will remain dependent for foreign exchange on its exports of tea, rubber, and coconuts with no great prospect of expanding the foreign exchange earnings of these products. Abnormally large food-grain imports--ordered as a result of an exceptionally dry growing season,



Dudley Senanayake

the devastating effects of last December's cyclone, and the Bandaranaike government's unwillingness to allow shortages at election time--will present the new government with even greater fiscal difficulties than usual. In addition, a UNP government might well face an upsurge of labor protests, particularly among port workers. Such strikes could be costly in terms of increased shipping and demurrage charges, and as an impediment to the marketing of vital exports. If elected, a UNP government could be expected to call upon Western countries for an infusion of hard-currency aid to help it over its initial economic hurdles.

In the less likely event that Mrs. Bandaranaike is able to retain her position, the government's drift to the left would probably be accelerated.

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The defection of SLFP moderates leaves the party largely in the hands of its left wing. Other than the prime minister herself, few SLFP leaders can match the talent and political sagacity of those Marxist leaders likely to be included in a new coalition cabinet. But the same conditions that eroded support for the previous Bandaranaike regime would probably undermine a new coalition in short order, and unless extraconstitutional steps were taken, the life of such a government probably would be short.

A third possibility is that neither the SLFP nor the UNP will emerge strong enough, even with the support of their potential coalition partners, to form a government. Such a development would leave the balance of power in parliament in the hands of members representing Ceylon's Tamil minority, descendants of relatively recent South Indian immigrants who comprise nearly

a quarter of the country's population. Tamils are generally able to control 15 to 20 of the 157 seats in the lower house. They have been frustrated in recent years by their inability to force the retention of Tamil as an official language and by alleged discrimination against Tamils in public and private employment.

The Tamils have little reason to admire either major party, but have hoped that a stalemated election will provide an opportunity to win new political concessions in exchange for parliamentary support. Both the UNP and the SLFP would find it difficult to agree to major concessions without antagonizing their Sinhalese supporters, however, and it is more likely that an inconclusive election will lead, as in 1960, to new balloting later this year. (CONFIDENTIAL)

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